

Warranty Policies and Procedures Bulletin

Audi Warranty

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**Subject: Warranty Policies and Procedures Manual
Chapter 5 Transportation - Sections 5.1 and 5.2 Updates**

This document modifies the Audi Warranty Policies and Procedures Manual.

Dealers: United States , Puerto Rico

Sections 5.1 *New Vehicle Receipt* and 5.2 *Claim Processing – Transportation and Warranty* in Chapter 5 of the Audi Warranty Policies and Procedures Manual are updated by the Transportation Group and include:

- 1) information pertinent to electronic proof of delivery
- 2) process clarification of the topic *Receipt of Vehicles with Major Damage*
- 3) reiteration that wheel damage is not claimed as full body cover damage

The two Sections are attached and the updates highlighted.

5. New vehicle receipt, storage, and customer delivery

5.1 New vehicle receipt

A repair order for all damage, Transportation and/or Warranty, related to or associated with the transportation of a vehicle must be opened no later than 48 hours (second working day) after the vehicle is delivered to the dealership. A transportation or warranty claim (repair order) with a reception date more than 48 hours after delivery date will be cancelled.

5.1.1 Transportation inspection

All new vehicles must be carefully inspected before a dealer representative signs the delivery receipt. **Carrier Delivery receipts can be: 1) Hand held electronic devices or 2) Printed paper copies.** This includes vehicles with major damage including Act of God (flood, hail, fire damage etc). Audi recommends trained personnel are available to inspect vehicles and document damage during normal business hours, including Saturday. New vehicles must remain in the sight of the transport driver during the new vehicle receipt process. Time allowed to inspect a vehicle is 15 minutes each, or a maximum of 1 hour for a full truckload. Inspection time is not eligible for reimbursement.

All damage and pilferage must be noted on the delivery receipt, and co-signed by the transport driver. A signed delivery receipt transfers liability to the dealer for non-concealed damage found after the carrier leaves. Failure to properly note all vehicle damage may result in a transportation claim payment being delayed or denied.

Note: Damage found on vehicles delivered via a hand held electronic delivery receipt must be noted on the electronic device **prior** to dealer and carrier signatures. All damage discovered/noted after the dealer has signed the electronic hand held device will not be accepted. **Exception** is "concealed" damage or damage discovered under an undisturbed full body cover (FBC).

Dealer personnel may not remove the Vehicle Shipping Cover before inspection personnel have completed and signed the delivery receipt. It is unacceptable for dealer inspection personnel or the transport driver to write a notation on the delivery receipt for damage found under an undisturbed full body as it is not considered transportation damage attributable to the last transportation carrier.

Inspection process at time of receipt

1. **VIN** - Verify the Vehicle Identification Number (VIN) on each document and vehicle.
2. **Exterior and Interior Areas** - Carefully inspect all visible exterior areas and the complete interior area.
3. **Vehicle Shipping Cover** - Closely examine panels/bumpers covered with the Vehicle Shipping Cover. Should a disturbance be detected on a surface covered with the Vehicle Shipping Cover, dealer inspection personnel and the transport driver must remove the Vehicle Shipping Cover together to determine the extent of body damage. **Damage must be noted on carrier's delivery receipt with comment "disturbed cover".**

Note: Photos of the disturbed Vehicle Shipping Cover prior to removal are required

4. **Trunk** - The cargo area of the vehicle should be inspected if the Vehicle Shipping Cover is not properly secured over the rear portion of the vehicle (evidence of entry during transport).
5. **Damage / Missing** - Damage and missing items relating to transportation carrier responsibility must be noted on the carrier Delivery Receipt using the 5-digit damage code system established by the Automotive Industry Action Group (AIAG). These codes can be found in *Audi Warranty Online/Library/Claim Assistance/AIAG Damage, Type, and Severity Codes*.
It is the responsibility of both dealer inspection personnel and the transport driver to ensure damage notation and AIAG codes accurately describe damage or missing items.
Note: Damage relating to Warranty must not be noted on the Delivery Receipt.
6. **Notations** - Additional comments are to be written in the "Retailer Exceptions" space of the Delivery Receipt. Generalized and non-standard notations such as "ding, damage, and dimple" are not acceptable. "Scratches" do not require straightening time to repair. If straightening time will be involved, use "dents" or "gouges" as the exception description.
7. **Remarks** - The transport driver may list notations in the "Carrier Remarks" section of the Delivery Receipt referring to a noted exception as non-transportation damage. It is recommended that dealer inspection personnel include a notation in the "Dealer Remarks" section agreeing with, or denying the driver's non-transportation damage allegation. Unless there is a counter signature from dealer inspection personnel, non-transportation damage notations will be considered as transport related.
8. **Signature / Date** - Obtain the transport driver's signature. It indicates the transport driver has been informed of the delivery inspection results. Sign and date the Delivery Receipt for a vehicle only after all of the above have been completed.
9. **Transportation claim** - A transportation claim may be submitted for carrier responsibility damage/pilferage found and noted on the Delivery Receipt.

"Concealed" transportation damage

A vehicle must be inspected for concealed damage no later than 24 hours (next working day) after receipt.

Concealed damage only includes damage to the:

- ▶ Undercarriage
- ▶ Tire treads
- ▶ Insides of wheel wells

Vehicle receipt "subject to inspection"

The carrier Delivery Receipt must be marked "subject to inspection" and signed by a dealer representative for any of the following:

- ▶ A vehicle received after normal business hours
- ▶ Snow or ice-covered condition
- ▶ Vehicle covered with a significant amount of dirt/grime, and the dealer is unable to make a proper delivery assessment

A vehicle delivered "subject to inspection" must be inspected no later than 24 hours (next working day) after receipt.

Notifying transport carrier and Audi Transportation Damage Claims Group of "concealed" damage or "subject to inspection" damage

If “concealed” transportation damage or “subject to inspection” damage is found, the last transport carrier and Audi Transportation Damage Claims must be notified no later than 48 hours (second working day) after vehicle receipt.

A Transportation Damage Notification Letter, on dealer letterhead must be used. Detailed damage information must be described in the letter.

- ▶ Last transport carrier: Letter may be sent by certified mail, or verifiable fax or email
- ▶ Audi Transportation Damage Claims: Letter may be sent by verifiable fax or email. (see table *Transportation Damage Claims contact information*).

Note: A sample letter is available on Audi Warranty Online/Library/P&P Forms.

A copy of the letter and postmarked certified mail receipt, verifiable fax or email, the original transport Delivery Receipt, photos, and any other applicable documents are to remain in the deal jacket for the corresponding vehicle.

Receipt of vehicles with major damage

Major damage is defined as “steering, power train, structural, safety equipment, or Act of God (flood, hail, fire) damage, or damage repair costs exceeding \$1,000. The dealer must temporarily store a vehicle that has flood, hail, fire, or other major damage, even if it will not be repaired by the dealership. **Dealer must accept delivery of a major damaged unit.** The transporter is not authorized to move a dealer refused vehicle to another location. **“For storage only” and damage codes must be noted on the carrier’s delivery receipt.**

Notify the Audi Transportation Damage Claims Group by telephone or email. Be prepared to send an estimate of repair, a copy of the Delivery Receipt, and photos (required). **Dealers are not authorized to repair major damaged units that will ultimately be returned to Audi.** Do not begin any repairs prior to Transportation Damage Claims personnel advising disposition of the vehicle.

Repair completion

Transportation damage repairs must be completed no later than 30 days after vehicle receipt.

Audi Transportation Damage Claims Department contact information		
	Telephone number: Fax number:	877-365-0343 586-276-4730
	Address:	6699 Chicago Road, Warren, MI 48092
	Email address:	Audi-damage@vehiclaims.com

5.1.2 Transportation damage defined - claim type 9T1

5.1.2.1 Damage found at time of delivery, attributable to last transportation carrier and listed on the Delivery Receipt

- ▶ Damage resulting from physical impact, abuse, abrasion, vandalism, weather conditions, or other carrier negligence. Include damage found through or under a **disturbed** full body cover or other shipping cover.
- ▶ Missing standard equipment items such as antennas, license plate brackets, keys, wipers, wheel covers, center caps, spare tire/wheel/tools, or floor mats **when vandalism is evident**. List each item separately, including those from a by-pack bag.
- ▶ By-packs (accessory bag) are sealed and located in the trunk of the vehicle. If trunk seal is broken or by-pack is in a location other than the trunk, **by-pack must be checked** for any missing items **at time of delivery**.
- ▶ Any paint deterioration or chips on left front driver's door
- ▶ Stained or soiled interior, including upholstery
- ▶ Broken glass that is not caused by stress
- ▶ Concealed damage, which is defined as damage to undercarriage, tire treads, or inside of wheel wells only

5.1.2.2 **Damage hidden by an undisturbed full body cover**

Note: A repair order for all damage related to or associated with the transportation of a vehicle **must be opened no later than 48 hours (second working day) after the vehicle is delivered to the dealership**. A transportation claim (repair order) with a reception date more than 48 hours after delivery date will be cancelled.

There are three (3) levels of damage which may be found after removal of an undisturbed full body cover. They are defined below.

1. **Level 1** – Impact damage under the full body cover such as scratches, dents, broken glass, or other damage clearly attributable to outside influence; and such damage required body panel repair or part replacement.
Claim comments must include 100FBC
2. **Level 2** – Damage from a full body cover being torn or ripped, or flapping during transit causing damage to painted body panels, trim, and/or parts; and such damage requires body panel repair or part replacement.
Claim comments must include 200FBC
3. **Level 3** – Damage from full body cover *movement* during transit (cover not torn, ripped, or flapping) resulting in scuffed parts requiring replacement and/or scuffed paint panels which require paint work.
Claim comments must include 300FBC

Note:

1) Minor surface scratches, scuffs, or residue from the full body cover, which can be removed by polishing the surface, are part of new vehicle prep and are not considered *damage* for any of the damage levels defined in this section.

2) Full body cover claims do not include wheel damage.

5.1.2.3 Notify Audi Transportation Damage Claims of any Transportation Damage

A copy of the Repair Order and Delivery Receipt for any transportation damage must be sent by verifiable fax or email to Audi Transportation Damage claims. **The Repair Order must be opened and sent no later than 48 hours after the vehicle is delivered to the dealership.** If the required notification is not sent, a claim for the damage may be cancelled.

Audi Transportation Damage Claims Department contact information		
	Telephone number:	877-365-0343
	Fax number:	586-276-4730
	Address:	6699 Chicago Road, Warren, MI 48092
	Email address:	Audi-damage@vehiclaims.com

Documentation required with the Repair Order

Transportation damage claims must be substantiated by detailed documentation and photograph evidence of the damage. A digital photo(s) of the damage must be taken, remain with the Repair Order, and be available for review by Audi if documents are requested. The photo must contain the identifiable VIN for the appropriate vehicle.

5.1.3 Warranty damage defined – claim type 910/110

Note: A Repair Order for all damage, including Warranty damage, related to or associated with the transportation of a vehicle must be opened no later than 48 hours (second working day) after the vehicle is delivered to the dealership. A warranty claim (Repair Order) with a reception date more than 48 hours after delivery date will be cancelled.

A manufacturer's defect in material or workmanship is considered Warranty damage.

- ▶ Sheet metal damage such as wavy or protruding metal; file, grinder, or weld marks, or painted-over dents with a severity 1 code
- ▶ Missing standard equipment items which are not presumed vandalism (see paragraph *Transportation damage*), and missing moldings, emblems, or decals when there is clear evidence they were never installed

Note: All missing items such as keys and wiper blades are included in the 48 hours Repair Order requirement. A warranty claim (Repair Order) with a reception date more than 48 hours after delivery date will be cancelled.

- ▶ Paint color mismatched, chips on panel edges except left front driver's door, and paint damage caused by misalignment of panels or molding

Note: claim type for this is 950 (Paint before delivery)

- ▶ Broken glass that is caused by stress
- ▶ Specific incorrect or missing vehicle literature such as:

- Owner's Manual
- Audi Warranty and Maintenance Booklet

- ▶ An original vehicle battery found to be defective upon completion of the *48 hour after delivery battery test* as detailed in section *4.13 Battery – Vehicle*.

- ▶ Wheel damage discovered under an undisturbed wheel cover

Note: Minor surface scratches, scuffs, or residue from the full body cover, which can be removed by polishing the surface, are part of new vehicle prep and are not considered Warranty damage.

Audi Warranty is not responsible for vehicle damage which occurs while said vehicle is in dealer inventory.

Misbuilt vehicles

A misbuilt (misbuild) vehicle is defined 'as a vehicle with optional equipment that does not match the Monroney Label'. It is not a warranty matter. When a vehicle is received, and equipment on the vehicle does not match the Monroney Label (either missing equipment not presumed theft, or additional equipment) the Audi representative must be notified within 24 hours (next working day) after receipt. A new Monroney Label will be issued.

If there is a misbuilt instance which does not require a new Monroney label, contact the Audi field representative or Audi Warranty to assist in resolution of the concern.

5.2 Claim processing – Transportation and Warranty

A Repair Order for all damage, both Transportation and/or Warranty, related to or associated with the transportation of a vehicle **must be opened no later than 48 hours (second working day) after the vehicle is delivered** to the dealership. A claim (Repair Order) with a reception date more than 48 hours after delivery date will be cancelled.

5.2.1 Transportation damage – 9T1 claim type

- ▶ A transportation claim (9T1) must be submitted within 30 days after vehicle receipt.
- ▶ Follow the appropriate process to submit a transportation claim.
- ▶ The dealer must retain all documentation. Do not send any documents, including claims, directly to carriers, ports, or the Audi Corporate Office unless specifically advised to do so by the Transportation Damage Claims Analyst.
- ▶ The dealer is responsible to monitor transportation claims. Contact the Audi Transportation Damage Claims Group at 877-365-0343 if a claim is not paid within 6 weeks.

Claim processing details specific to 5.1.2.2 damage hidden by an undisturbed full body cover:

- ▶ The first 6 spaces of the first line of the comments section must contain the following: FBC Level (100FBC, 200FBC, 300FBC)
- ▶ The AIAG (MVMA) Code must be placed in the SAGA AIAG field.

Transportation claim reimbursement

- ▶ Reimbursement is made following approval by the Transportation Damage Claims Group. Claims are credited to the dealer's monthly accounts receivable statement with the reference "TC" followed by the audit trail number.
 - ▶ Acceptance of the reimbursement credit constitutes a pledge that all repairs have been made in accordance with standards of the applicable Audi service manuals.
- Note: Invalid claims will appear as a debit on the dealer's monthly parts statement.**
- ▶ Labor is reimbursed at the dealer's warranty reimbursement rate.

- ▶ Parts are reimbursed at the dealer's warranty reimbursement rate for the model year vehicle being repaired.
- ▶ Tires are reimbursed at dealer cost, either outside purchase or Audi parts cost, as documented with the claim.
- ▶ Material units and set up time are included in transportation damage refinishing times; therefore material units and set up time shown in the Audi labor operation do not apply to transportation damage claims. Damage refinishing times can be found on *Elsa*.

Retention of documents and parts

Each transportation claim file must be kept for a period of 2 years from the date the claim was paid and must contain:

- ▶ Transport Delivery Receipt (consignee's copy #1) with
 - Itemized, detailed, and legible damage list
 - Driver's signature acknowledging damage list
 - Repair Order number
 - Original Repair Order (front and back) with
 - List of completed repairs
 - Time flag
 - Materials used
- ▶ Sublet repair invoices
- ▶ Photographs (when required)
- ▶ A copy of the transport carrier notification letter with certified mail receipt, or verifiable fax or email (if "concealed" damage or "subject to inspection" damage)
- ▶ Audi parts order confirmation or outside purchase invoice (for tires only)

The transport carrier has 60 days from the date of vehicle delivery to request parts be surrendered or shipped (collect) to a designated location. Transportation damaged parts should be retained for that period of time.

5.2.2 Warranty damage – claim type 910/110

A Repair Order for Warranty damage must be opened no later than 48 hours (second working day) after the vehicle is delivered to the dealer. A claim may be submitted in SAGA using the appropriate Service number and Labor Operations found on *Elsa*.